# **BELLSOUTH**

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August 3, 2001

Street Address: 1600 Williams Street, Suite 5200 Columbia, South Carolina 29201

The Honorable Gary E. Walsh Executive Director Public Service Commission of SC Post Office Drawer 11649 Columbia, South Carolina 29211

> Re: Application of BellSouth Telecommunications, Inc to Provide In-Region InterLATA Services Pursuant to Section 271 of the Telecommunications Act of 1996 Docket No. 2001-209-C

Dear Mr. Walsh:

Enclosed for filing please find the original and 15 copies of BellSouth Telecommunications, Inc.'s Reply to AT&T's Motion to Postpone the August 27, 2001 Hearing, AT&T's Motion for Oral Arguments, and the Motion of Sprint and United to Postpone the Hearing and Requesting Oral Arguments in the above-referenced matter.

By copy of this letter, I am serving all parties of record as reflected on the attached Certificate of Service

Sincerely,

Caroline N. Watson

CNW/nml Enclosure BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA



In the Matter Of

Application of BellSouth Telecommunications, Inc. to Provide In-Region InterLATA Services Pursuant to Section 271 of the Telecommunications Act of 1996

Docket No. 2001-209-C S. C. PUBLIC SERVICE COMMISSION

BELLSOUTH TELECOMMUNICATIONS, INC.'S REPLY TO AT&T'S MOTION TO POSTPONE THE AUGUST 27, 2001 HEARING, AT&T'S MOTION FOR ORAL ARGUMENTS, AND THE MOTION OF SPRINT AND UNITED TO POSTPONE THE HEARING AND REQUESTING ORAL ARGUMENTS

BellSouth Telecommunications Inc. ("BellSouth") hereby files its Reply to the Motion of AT&T Communications of the Southern States, Inc. ("AT&T") to Postpone the August 27, 2001 Hearing ("Motion") filed July 30, 2001, its Motion for Oral Arguments filed August 1, 2001, and the Motion of Sprint Communications Company, L.P. ("Sprint") and United Telephone Company of the Carolinas ("United") filed August 2, 2001 to Postpone the Hearing and Request for Oral Arguments. In the Motions, AT&T, Sprint, and United argue that the Public Service Commission of South Carolina ("Commission") should reschedule the August 27, 2001 hearing and issue a revised procedural schedule when more information from third-party testing is available.

AT&T argues that (1) third party testing in Georgia and Florida is not complete; and (2) the current hearing schedule time analyze allow sufficient to does not performance measures. AT&T argues that a Section 271 submission would be "premature" if it comes prior to completion by the PSC of the Commission's performance measurements docket or prior to third party OSS testing in of completion Sprint/United embrace AT&T's arguments and add that the parties cannot comply with the Commission's Order No. 2001-647 for the parties to "provide detailed arguments, analysis, data exhibits during the August hearing regarding differences in the Georgia and Florida 271 third party testing and performance measures." Sprint/United requests that the Commission issue a revised procedural schedule "when information from third party testing in other states, specifically Georgia and Florida, becomes available and performance measures have been adopted by this Commission."

The Commission should reject this Motion for several reasons. First, and most importantly, the Commission has already considered and rejected these arguments. See, e.g., Motion to Reconsider Scheduling Decision of NewSouth Communications and South Carolina Cable Television Association, and AT&T Response to BellSouth's Request for a Hearing, on July

23, 2001. There is no need for the Commission to reconsider these arguments now.

attempts blatant arguments are these Second, unnecessarily delay the Commission's continuing to hear this The Motions request that this Commission make factual case. determinations by hearing only the representations of legal counsel, not testimony of witnesses Commission has ordered. BellSouth strongly disputes the factual allegations made in the Motions and has filed testimony from its witnesses, which supports its position. The hearing has been set to make factual determinations after the witnesses have testified under oath in a legal proceeding. There would be no benefit to the Commission to hear additional representations of factual allegations made by the attorneys of the parties outside of the evidentiary hearing. Moreover, through its Motions, the sufficient not representing that there is are parties information currently available to comply with the Commission's Order, in contrast with their previous arguments that too much information had been provided. Indeed, BellSouth, in the direct testimony of Ron Pate, filed over 1500 pages in exhibits regarding third party OSS testing in Georgia. Additionally, in the exhibits attached to the direct testimony of Alphonso Varner are over 230 pages describing the Georgia Performance metrics. The arguments to delay are completely without merit.

# Performance Measurements Docket

The CLECs argue that the PSC must suspend its consideration application pending completion of BellSouth's 271 This contention is incorrect. performance measurements docket. There is no doubt that state commissions will have an on-going role to play in resolving factual and legal questions regarding the implementation of the Act. This continued involvement does not, however, translate into a need for the Commission to thwart the goals of the Act, as AT&T suggests, by delaying increased competition in the local and long distance markets pending a decision that need not be made prior to 271 relief. BellSouth has told the PSC, BellSouth will rely on South Carolina performance data using the regional SQM, developed with CLEC input, and approved by the Georgia Commission. This SQM and accompanying South Carolina-specific data is more than sufficient for the Commission to support BellSouth's Section 271 application at the FCC. In addition, BellSouth will present a penalty plan to the PSC that it will implement immediately upon exercise of 271 relief in South Carolina. Since BellSouth plans to present its case for Section 271 relief in South Carolina to the FCC based on South Carolina and regional data using the is unnecessary to complete the Georgia-approved SQM, it Performance Measures docket before proceeding with the 271 docket.

that the Interim SQM is flawed because BellSouth has failed to comply with the Georgia Order. As is fully discussed in the prefiled testimony of Mr. Varner, this argument is meritless. Moreover, AT&T's position that these alleged inconsistencies are grounds for delay is perplexing in that both parties already have filed testimony on these exact issues and are ready to address them before the Commission. After hearing the evidence, the Commission can make a decision. This issue is ripe for consideration by the Commission in the August hearing.

AT&T also tries to convince the Commission that BellSouth has not presented the Commission with sufficient data to assess BellSouth's performance. Even a cursory review of Mr. Varner's prefiled testimony in this docket belies this contention. The Interim SQM contains almost 2,200 measures. BellSouth will continue to report data to the Commission every month for as long as the Commission requests it. Arguing that the Commission cannot make a decision on 271 because there is more data to collect is akin to arguing that the Commission should never review BellSouth's 271 application in that there will always be another month of data. AT&T's obvious attempt to delay BellSouth's entry into AT&T's market should be rejected.

### The Georgia Third Party Test

to divert this Ttries every opportunity, Αt Commission's attention away from the relevant inquiry and into a tangential debate about the relative merits of the Georgia and Florida Third Party Tests. This debate is both unnecessary and unproductive and is designed only to introduce delay into the First, the FCC has stated explicitly on numerous occasions that the most probative evidence that OSS functions are operationally ready is actual commercial usage and, to a Thus, while an lesser degree, carrier-to-carrier testing. independent third party OSS test can play an important role in a 271 assessment, it is not, in the FCC's opinion, the most probative evidence of an RBOC's compliance with checklist item The CLECs have approximately 9.4% of local lines in service in BellSouth's service area in South Carolina - this means that CLECs are using BellSouth's systems and processes to place In addition, BellSouth's performance data demonstrates that BellSouth is providing nondiscriminatory access to OSS. This data alone indicates that BellSouth's OSS are operationally handling local competition. Therefore, the Commission does not necessarily need any third party testing to render an opinion about BellSouth's compliance with the competitive checklist. Such information would only be used in those very limited areas, if any, where there is neither South Carolina commercial usage data nor carrier-to-carrier testing. Thus, while BellSouth certainly urges the Commission to rely on the Georgia Third Party Test to the extent necessary, the most probative evidence of BellSouth's compliance with the checklist is commercial usage Moreover, despite AT&T's carrier-to-carrier testing. representations to the contrary, for purposes of assessing a Section 271 application, the Georgia third party test is complete. Thus, to the extent the PSC believes it needs a third party OSS test, it can rely on the Georgia test. The Georgia test meets all of the important criteria identified by the FCC in its Bell Atlantic Order and is, at a minimum, comparable to the tests conducted in New York and Texas. As BellSouth demonstrated in its filing, BellSouth understands that it bears the burden of proof to demonstrate to the PSC that it compliant with the Act - BellSouth can meet its burden of proof based on evidence, where necessary, from the Georgia Third Party The PSC should give BellSouth this opportunity the week of August 27.

The Georgia test meets all of the criteria established by the FCC in its decision on Bell Atlantic's New York application. Specifically, in the Georgia test, like the New York test, KPMG was an independent tester; conducted a military-style test; made efforts to place itself in the position of an actual market entrant; and made efforts to maintain blindness when possible.

In compliance with FCC decisions, the Georgia test is a focused test that appropriately concentrates on the specific areas of BellSouth's OSS that had not experienced significant commercial usage. As set forth in the Master Test Plan, the test covered ordering; processes (pre-ordering; OSS five core all provisioning; maintenance and repair; and billing); electronic interfaces to the OSS (TAG, EDI, TAFI, ECTA, ODUF, ADUF, CRIS loops (with and without CABS); UNE analog and portability); UNE switched ports; UNE business and residence port-loop combinations; LNP; and normal and peak volume testing of the electronic interfaces for pre-ordering; ordering, and maintenance and repair using a representative mix of resale services and UNE transactions. The Georgia test also provides for an audit of BellSouth's flow-through Service Request Report for the latest three months of data.

In a Supplemental Test Plan, the Georgia Commission expanded the test to include an assessment of the change management process as it applied to the implementation of Release 6.0 ("OSS99"); an evaluation of pre-ordering, ordering and provisioning of xDSL loops; a functional test of resale pre-ordering, ordering, provisioning, maintenance and repair, and billing transactions for the top 50 electronically orderable retail services available for resale that have not experienced significant commercial usage; and an evaluation of the processes

and procedures for the collection and calculation of performance data.

In all, the Georgia Test covered over 1,170 test criteria. The Georgia test included significant opportunity for CLEC input. The Georgia Commission considered input from the CLECs when designing the scope of the test plan. Moreover, CLECs had the opportunity to file comments on both the Master Test Plan and the Supplemental Test Plan, as well as KPMG's periodic status reports. Beginning January 20, 2000, KPMG invited the CLECs to participate in weekly conference calls to discuss the status of the test, including exception resolution, and to entertain any questions from the CLECs about the progress of the test.

On March 20, 2000, KPMG issued its final report to the Commission. Less than 2% of the test criteria were deemed "not satisfied." For those small number of test criteria that were not satisfied, KPMG found that "the Commission will be able to monitor these issues on an ongoing basis through the performance measures and/or penalty plans in place that address the timeliness of BellSouth responses, service order accuracy, and percent provisioning troubles within 30 days." This Commission

 $<sup>^{1}</sup>$  See Letter to Leon Bowles from Michael W. Weeks, March 20, 2001, p. 2, in the testimony of Ronald M. Pate on file with the Commission.

will have the same performance measures and data upon which to monitor BellSouth's on-going compliance.

The Georgia test is comparable in scope to the third party tests conducted in New York and Texas that the FCC has approved. The Georgia test included the same functionality review of OSS business processes as New York and Texas. In addition, all three tests assess OSS scalability. All three tests included normal volume and peak testing of the interfaces. Moreover, the Georgia test reviewed all documentation for maintenance, updates and communication, as did New York and Texas. Like New York and Texas, the Georgia test assessed change management including the notice and completion intervals; release versioning policy; defect management process; and OSS interface development review. All three tests included functional testing of pre-ordering and All three tests provisioned orders, evaluated provisioning processes, and tested the performance of specific provisioning measures. Georgia and New York tested basic functionalities of Maintenance and Repair, and included a M&R process parity evaluation. In some cases, the Georgia test went beyond the tests in New York and Texas. For example, the Georgia test included manual ordering for xDSL loops while the New York test did not. Moreover, the Georgia test included a more extensive performance metrics evaluation than either New York or Texas.

In short, the Georgia Test is thorough and robust and will provide the Commission with ample evidence of BellSouth's compliance with the competitive checklist for those areas for which BellSouth does not have commercial usage in South Carolina. As the Commission previously determined in its initial ruling, there is no reason to delay the hearing in this matter, or delay the benefits of long distance competition to South Carolina consumers.

AT&T also demands that the Commission wait until KPMG completes the second audit on performance metrics in Georgia. However, as Mr. Varner has shown in his prefiled testimony, there are going to be annual audits conducted on the metrics for the foreseeable future. In addition, with periodic reviews of these measures being conducted by various commissions, the measures will remain in a constant state of evolution and change for some time to come. It is precisely because of these ongoing audits and reviews that the Commission can be assured of the reliability of the measures and data reported pursuant to them. Rather than acknowledge this, however, AT&T distorts the facts to assert that all audits and all dockets must be complete before the Commission can start its section 271 review, knowing full well that this will cause timeless delay.

AT&T makes a point that the Florida test has uncovered exceptions not identified in Georgia. As BellSouth demonstrates

in its prefiled testimony, to the extent this is true, it is not surprising. Third party tests involve thousands of test criteria. Unless the tests are performed at exactly the same time, it is a certainty that there will be several criteria that were satisfied previously but have issues now. This is to be expected as new software releases are incorporated into the system. Notably, there also are many issues that were raised in Georgia, but have not been found to be a problem in Florida. And there are numerous areas (in fact the vast majority) where no issues were found in either Georgia or Florida. These facts alone, therefore, should not be cause for great concern and are fully addressed in the prefiled testimony of both parties.

In its motion, AT&T implies that other States' commissions have somehow ruled that all related dockets must be closed and both the Georgia and Florida third party tests completed before they are going to move forward. However, no Commission has made either of these rulings. Instead, the North Carolina Commission held only that its schedule would "allow for further information to be developed concerning pertinent Section 271 dockets in other states." Order Setting Hearing and Procedural Schedule, North Carolina Docket No. P-55, Sub 1022, 5/9/01, at 6. This hardly constitutes a finding that the NCUC must wait on the completion of the Georgia and Florida tests.

AT&T also argues that this Commission should wait on the outcome of the Tennessee process before proceeding forward. T&TA claims that the " [Tennessee Regulatory Authority ("TRA")]...identified several areas of the third-party tests that do not apply to the South Central Bell states." (Motion, at 7). AT&T is mischaracterizing the facts. What the TRA held was that there could be areas of BellSouth's OSS unique to South Central BellSouth states that were not tested in either Georgia or First Report and Recommendation of Pre-Hearing Officer, TRA Docket No. 01-00362, 5/3/01, at 4-5 ("such decision shall take into consideration the testing of OSS in other BellSouth states and the extent that the TRA can rely on such tests for Tennessee operations.") The TRA engaged a third party consultant to review those areas and determine whether additional third party testing is necessary in Tennessee. BellSouth is confident that, upon review, the third party consultant will agree with BellSouth that BellSouth's OSS are the same region-wide and that the TRA need not conduct any additional testing.

Ironically, the review that the TRA has delegated to a third party consultant is exactly the same review that this Commission will undertake in the second phase of this proceeding. Specifically, during the second hearing, BellSouth will present evidence to the Commission, through the testimony

of Mr. Pate and Mr. Varner, in support of its contention that its OSS are the same region-wide and that, therefore, Commission can rely on the Georgia Third Party Test. Commission can then weigh the evidence and make a determination as to whether it can rely on the Georgia test. As BellSouth has told the TRA, BellSouth believes that state commissions are uniquely qualified to make an assessment of the regionality of BellSouth's OSS and that a third party consultant unnecessary. AT&T's position, on the other hand, appears to be that this Commission is incapable of making an assessment as to the regionality of BellSouth's OSS on its own and therefore must wait for the completion of an independent analysis. disagrees with AT&T's position and requests that the Commission allow BellSouth to make its case to the Commission during the August 27 hearing.

AT&T also argues that the Commission should delay the hearing because the "Kentucky Public Service Commission Staff has recommended that the Kentucky 271 hearing be held during the week of October 22..." (Motion, at 7). AT&T erroneously, and no doubt intentionally, implies that the Kentucky Staff determined that it was necessary to delay the hearing based on insufficient performance data. To the contrary, as AT&T is aware from its participation in the scheduling conference, the Kentucky Staff initially proposed to hold the hearing during August. It was

BellSouth that asked for a later hearing date due to irreconcilable scheduling conflicts that week. Moreover, as AT&T also is aware, the 271 proceedings in Kentucky will start the week of September 24, 2001, with a second phase to be held the week of October 22, 2001. AT&T's inference that delay is appropriate is not supported by the facts.

As with its arguments on performance data, AT&T is putting forth issues that it raised in its testimony in this case as reasons to delay the hearing. AT&T's approach is nonsensical. Both sides have had a full opportunity to file testimony on the relative merits on the Georgia test. All that remains is for each party to present its witnesses on these issues to the After hearing the evidence, the Commission can Commission. decide the extent to which it wants to rely on the Georgia Test. There is no reason, however, for the Commission to delay the hearing on testimony and evidence that has already been filed by the parties. In essence, AT&T's position is an attempt to put the proverbial cart before the horse. AT&T argues that the Commission should not continue to conduct the 271 hearing because, in its opinion, BellSouth's evidence about access to OSS will be deficient. In lieu of having a hearing and actually reviewing the evidence, AT&T wants the PSC to conclude summarily that BellSouth cannot meet its burden of proof and thus that a

hearing is premature. This position is unsustainable. The PSC should continue to move forward as expeditiously as possible.

The local market is irreversibly open, a fact that is a result of the Commission's actions. It is now time to move forward and open the long distance market. BellSouth wholeheartedly agrees with the Commission that the current schedule provides ample time for each party to present its position on BellSouth's application and that it is in the public interest to continue the hearing process on August 27, 2001.

#### CONCLUSION

The sole purpose of AT&T and Sprint/United for submitting the motions is to impede and delay the Commission's review of BellSouth's application to provide interLATA services. BellSouth is in full compliance with Section 271. Any delay of the review process will impede the development of a fully competitive telecommunications market in South Carolina, which will harm the consumers of this state. It is therefore in the public interest to continue the hearing scheduled for August 27, 2001.

For the foregoing reasons, this Commission should deny the Motions of AT&T and Sprint/United to Postpone the August 27, 2001 Hearing and their Motions for Oral Arguments.

Respectfully submitted,

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STATE OF SOUTH CAROLINA	)
COUNTY OF RICHLAND	) CERTIFICATE OF SERVICE

The undersigned, Nyla M. Laney, hereby certifies that she is employed by the Legal Department for BellSouth Telecommunications, Inc. ("BellSouth") and that she has caused BellSouth Telecommunications, Inc.'s Reply to AT&T's Motion to Postpone the August 27, 2001 Hearing, AT&T's Motion for Oral Arguments, and the Motion of Sprint and United to Postpone the Hearing and Requesting Oral Arguments in Docket No. 2001-209-C, to be served by the method indicated below upon the following this August 3, 2001:

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